

Grow Your Business with MIDF

SOFT FINANCING SCHEME FOR DIGITAL & TECHNOLOGY



MIDF in a Nutshell

- Established on 30 March 1960. This year celebrating 60th Anniversary.
- 3 core business areas under the Group-
 - Investment Banking
 - Asset Management
 - **Development Bank**
- Development Bank and objective to assist **SMEs** in selective financing Schemes.
- Owned by PNB and an agency under MITI.



THE PAST – OUR ACHIEVEMENT/ RESUME

- Total **RM15.5bn** disbursed in financing to **11,265** companies since inception
- **RM6.5bn** soft loans to **4,581** companies from government schemes since 2001
- **RM2.6bn** funds provided by government agencies under MIDF management today

- **6 Regional Office** nationwide



What's New – Estb. of Business Advisory

- To address the financing barriers in getting the financing from MIDF.
 - ✓ Low awareness
 - ✓ Lack of readiness
 - ✓ Insufficient documentation
 - ✓ Lack of risk management
- To match financing and funding objective that provided by government.
 - ✓ Specific fund for specific purpose or industry or high impact industries
- Assisting dynamic SMEs to grow their business locally and export
 - ✓ 90% SME served domestic market
 - ✓ 7% export
- Assisting SMEs in era of digital economy
 - ✓ 83% SME using ICT in their business
 - ✓ 22% have their own website
 - ✓ 14% on line stores

BUSINESS ADVISORY – Phase 1



EVALUATE

Assist SMEs in determining your company's eligibility for our financing schemes.

ADVISE

Advise SMEs on the most suitable financing scheme that suits your business needs.



CONNECT

Proceed to process. Otherwise, we will connect you to our strategic partners to further support your business needs.



CALL : 1-300 -88- 6433

E-mail : GrowYourBusiness@midf.com.my

**Let Us Help You
Grow Your Business**

***NEW FUND**

***WHAT IS THE LATEST???**

Soft Financing Scheme for Digital and Technology

MIDF's Soft Financing Scheme For Digital and Technology (SFSDT) was established to encourage and increase utilisation of digital technologies among local SMEs as a means to escalate competitiveness, efficiency and marketability. In addition, funding is made available to accelerate adoption of e-commerce among local SMEs and increase marketability of their products into the national and global markets.

SOFT FINANCING SCHEME FOR DIGITAL AND TECHNOLOGY (SFSDT)

What are the objective of this Scheme? Among others are:-

1. To accelerate local SMEs in Adoption of e-commerce
2. To Increase Marketability of local SMEs' products into national and global market
3. To encourage and increase utilization of New Technologies among local SMEs as a means to escalate competitiveness and efficiency and marketability;
4. In line with our government initiatives to encourage businesses to shift online as part of the Short-term Economic Recovery Plan (Penjana).

Fund provider:



MINISTRY OF INTERNATIONAL TRADE & INDUSTRY

Eligibility Criteria

No	Particulars	Requirement
1.	Sectors	Manufacturing and services
2.	Ownership	60% Malaysian
3.	Co status	SMEs or Corp
4.	Years in operation	Min 6 months
5.	Specific licensing	Business license
6.	Panel of vendors	No. Any digital service providers

SFSDT - THE SCHEME SALIENT TERMS AND CONDITIONS

- Up to **RM1 million** financing limit

- Up to **5 years** for Term Financing-i
- Up to **180 days** for Revolving Credit-i

- Up to **90%** of total cost

- **Competitive** profit rate of as low as **4% p.a** on yearly rest

- **NO Charges** for early settlement



Case Scenario – Makcik Kiah Sdn Bhd

No	Particulars	Requirement	MakCik Kiah Sdn Bhd
1.	Sectors	Manufacturing and services	Producing “goreng pisang” special flour & Food paste
2.	Ownership	60% Malaysian	YES
3.	Co status	SMEs or Corp	SME, Private Limited co
4.	Years in operation	Min 6 months	1 year
5.	Specific licensing	Business license	YES

Capex Financing

No	Purpose CAPEX or Hardware	Requirement	Price	SFSDT (up to 90%)	Tenure (yr)	1 st year (RM)/ grace period	2 nd Year onwards (monthly instalment)
1.	Modernize & automate manufacturing facility	Robotic machines	100,000	90,000	5	300	2,000
2.	IT System	Windows server	30,000	27,000	5	90	600
3.	Logistic & distribution	20 motorcycles	100,000	90,000	5	300	2,000
Total			230,000	207,000		690	4,600

Term financing – Soft cost

No	Purpose Soft Cost	Amount	SFSDT (up to 90%)	Tenure	1 st year (RM)/ grace period	2 nd Year onwards (monthly instalment)
1.	Accounting & HR system	30,000				
2.	Inventory & Logistic system	50,000				
3.	Digital marketing	50,000				
4.	Website/ Mobile apps	30,000				
5.	E - platform	40,000				
	Total	200,000	180,000	5	600	4,000

**What about SME who gets grants for the above expenses from MDEC?
Can still get financing??**

Working Capital & Ancillary Financing

No	Purpose	Amount/ Credit Limit	Margin of Financing	Tenure
1.	Purchase raw materials – purchase revolving credit	100,000	90%	150 days revolving
2.	Contract Financing – Sales revolving credit supplied to eg. GLC	100,000	90%	120 days revolving
3.	Software subscription & licensing	20,000	90%	5 years inclusive 1 year grace period
4.	Legal fee	20,000	90%	5 years inclusive 1 year grace period
	Total	240,000	216,000	

Summary of SFSDT Financing

No	Type of Financing	purpose	Financing Amount/ Limit	Nature of repayment	Security
1.	Term financing	Machinery/ Hardware	207,000	Fixed monthly	1. Charge over the fixed assets financed. 2. SJPP guarantee (0.75%X 627,000 = RM4,700 up front on annually reducing balance.
		Software & Licensing + legal fee	220,000		
2..	Working capital	Pre & Post sales	200,00	Revolving on utilization	3. Joint & Several G'tee by directors
	Total		627,000		

CLINIC SESSION 1:

“MAKE A WORLD OF DIFFERENCE
WITH DIGITAL & TECHNOLOGY”

WEBINAR



13 AUGUST 2020
THURSDAY



9:30 A.M.
– 12:00 P.M.



VIA
LIFESIZE

Programme

- 9:30 a.m. Welcoming Remarks
- 9:40 a.m. The Intelligence Enterprise, by Phitomas
- 10:10 a.m. Improving Productivity with Honeywell Solutions, by Honeywell
- 10:40 a.m. The New Normal Phenomenon, by SAP
- 11:10 a.m. Soft Financing Scheme for Digital & Technology (SFDT), by MIDF
- 11:30 a.m. Q&A & Wrap-up
- 12:00p.m. End

Register here to join this webinar:

<https://forms.gle/4jjqVgjKBanCPttT9>

Watch it live on our Facebook:

<https://www.facebook.com/MIDFGroup>

PHITOMAS

Honeywell

SAP

midf

1960
2020
YEARS



Type of Financing (SFSDT)

Type of financing	Margin of financing	Financing tenure
Capex Financing (tangible & intangible Assets) - Eg. IT Hardware & Software/Motor Vehicle/Machinery/ Equipment	Up to 90%	Up to 5 years (including grace period of up to 1 year)
Working Capital Financing- Purchase Revolving Credit & Sales Revolving Credit	Up to 90%	Up to 150 days for each drawdown including an option to rollover for a period not exceeding 60 days for eligible borrowers.

Fund provider:



MINISTRY OF INTERNATIONAL TRADE & INDUSTRY

Type of Financing (SFSDT)

Type of financing	Margin of financing	Financing tenure
<u>Working Capital Financing-</u> Contract Financing	Up to 90%	Pre-financing : Up to 180 days for each drawdown. Post-financing (Factoring) : Up to 120 days for each drawdown (Eligible for purchase/receivables from ministries/government agencies/ and government linked companies related to Digital Economy Platform)

Fund provider:



MINISTRY OF INTERNATIONAL TRADE & INDUSTRY

THANK YOU

www.midf.com.my